CHAPTER 320

HEALTH CARE POLICY AND FINANCING

HOUSE BILL 17-1343

BY REPRESENTATIVE(S) Young, Hamner, Rankin, Benavidez, Carver, Esgar, Exum, Ginal, Gray, Hooton, Jackson, Kennedy, Kraft-Tharp, Lee, Lontine, Pettersen, Rosenthal, Singer, Weissman, Duran; also SENATOR(S) Moreno, Lambert, Lundberg, Aguilar, Cooke, Court, Crowder, Fields, Jahn, Jones, Kefalas, Kerr, Martinez Humenik, Merrifield, Todd, Zenzinger.

AN ACT

CONCERNING IMPLEMENTATION OF CONFLICT-FREE CASE MANAGEMENT FOR PERSONS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES WHO ARE ELIGIBLE FOR HOME- AND COMMUNITY-BASED SERVICES UNDER THE MEDICAID PROGRAM, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

- **SECTION 1.** In Colorado Revised Statutes, 25.5-10-202, **amend** the introductory portion, (4), (14), (24)(b), (28), (29), and (36) introductory portion; **repeal** (2)(a); and **add** (1.9), (5.7), and (13.5) as follows:
- **25.5-10-202. Definitions.** As used in this article ARTICLE 10, unless the context otherwise requires:
- (1.9) "Case management agency" means a public or private not-for-profit or for-profit agency that meets all applicable state and federal requirements and is certified by the state department to provide case management services pursuant to section 25.5-10-209.5. The case management agency shall provide case management services pursuant to a contract with the state department.
 - (2) "Case management services" means the following:
 - (a) The determination of eligibility for services and supports;
- (4) "Community-centered board" means a private corporation, for-profit or not-for-profit, that when is designated pursuant to section 25.5-10-208, provides

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

case management services to persons with intellectual and developmental disabilities, is authorized to determine eligibility of those persons within a specified geographical area, serves as the single point of entry for persons to receive services and supports under this article, and provides authorized services and supports to those persons either directly or by purchasing services and supports from service agencies SECTION 25.5-10-209.

- (5.7) "Conflict-free case management" means, pursuant to 42 CFR 441.301 (c)(1)(VI), case management services provided to a person with an intellectual and developmental disability enrolled in a home- and community-based services waiver that are provided by a case management agency that is not the same agency that provides services and supports to that person. Service agencies and case management agencies are responsible for ensuring persons who are employed by the agency meet the requirements of this article 10.
- (13.5) "ELIGIBLE FOR HOME- AND COMMUNITY-BASED SERVICES" MEANS A "PERSON WITH AN INTELLECTUAL AND DEVELOPMENTAL DISABILITY", AS DEFINED IN SECTION 25.5-6-403, WHO MEETS THE DEFINITION OF AN "ELIGIBLE PERSON", AS DEFINED IN SECTION 25.5-6-403.
- (14) "Eligible for supports and services" refers to any person with an intellectual and developmental disability as determined eligible by the A community-centered boards, BOARD pursuant to section 25.5-10-210 SECTION 25.5-10-211.
- (24) (b) Every individualized plan must include a statement of agreement with the plan, signed by the person receiving services or other such person legally authorized to sign on behalf of the person and by a representative of the community-centered board OR CASE MANAGEMENT AGENCY.
- (28) "Interdisciplinary team" means a group of people convened by a designated community-centered board OR BY A CASE MANAGEMENT AGENCY that includes the person receiving services; the parents or guardian of a minor; a guardian or an authorized representative, as appropriate; the person who coordinates the provisions of services and supports; and others as determined by the person's needs and preference CHOSEN BY THE PERSON RECEIVING SERVICES, who are assembled to work in a cooperative manner to develop or review the individualized plan.
- (29) "Least restrictive environment" means an environment that represents the least departure from the typical patterns of living and that effectively meets the needs and preferences of the person receiving services. "Least restrictive environment" may include, but need not be limited to, receiving services from a community-centered board, service agency, CASE MANAGEMENT AGENCY, or a family caregiver in the family home.
- (36) "Services and supports" OR "SUPPORTS AND SERVICES" means one or more of the following: Education, training, independent or supported living assistance, therapies, identification of natural supports, and other activities provided:
- **SECTION 2.** In Colorado Revised Statutes, 25.5-10-204, **amend** (1) introductory portion, (1)(a), and (1)(b) as follows:

- **25.5-10-204. Duties of the executive director state board rules.** (1) In order to implement the provisions of this article ARTICLE 10, the executive director shall, subject to available appropriations, carry out the following duties:
- (a) Conduct monitoring and review activities that include community-centered boards, and service agencies, AND CASE MANAGEMENT AGENCIES;
- (b) Provide or obtain training and technical assistance through community-centered boards, and service agencies, AND CASE MANAGEMENT AGENCIES in order to improve the quality of services and supports provided to persons with intellectual and developmental disabilities;
- **SECTION 3.** In Colorado Revised Statutes, 25.5-10-206, **amend** (1) introductory portion, (2), (3), (4)(a) introductory portion, (4)(b), and (5) as follows:
- **25.5-10-206.** Authorized services and supports conditions of funding purchase of services and supports boards of county commissioners appropriation. (1) Subject to annual appropriations by the general assembly, the state department shall provide or purchase, pursuant to subsection (4) of this section, authorized services and supports from community-centered boards, CASE MANAGEMENT AGENCIES, or service agencies for persons who have been determined to be eligible for such services and supports pursuant to section 25.5-10-211 and as specified in the eligible person's individualized plan. Those services and supports may include, but need not be limited to, the following:
- (2) Service agencies, COMMUNITY-CENTERED BOARDS, AND CASE MANAGEMENT AGENCIES receiving funds pursuant to subsection (1) of this section shall comply with all of the provisions of this article ARTICLE 10 and the rules promulgated thereunder.
- (3) Service and support coordination shall Case management services must be purchased from the community-centered board designated pursuant to section 25.5-10-209 or the Case management agency, except as otherwise provided in subsection (4) of this section.
- (4) (a) The state department may purchase services and supports including service and support coordination, directly from service agencies AND CASE MANAGEMENT SERVICES FROM CASE MANAGEMENT AGENCIES if:
- (b) The state department shall only purchase services and supports directly from those community-centered boards, CASE MANAGEMENT AGENCIES, or service agencies that meet established standards.
- (5) Governmental units, including but not limited to counties, municipalities, school districts, health service districts, and state institutions of higher education, are authorized at their own expense to furnish money, materials, or services and supports to persons with intellectual and developmental disabilities, or to purchase services and supports for such persons through designated community-centered boards, CASE MANAGEMENT AGENCIES, or service agencies, so long as no conditions or requirements imposed as a result of the provision or purchase through a community-centered board or service agency conflict with the provisions of this

article ARTICLE 10 or the rules promulgated thereunder.

- **SECTION 4.** In Colorado Revised Statutes, 25.5-10-207, **amend** (3) introductory portion, (3)(c), and (3)(d); and **add** (3)(e), (8), and (9) as follows:
- **25.5-10-207.** Services and supports waiting list reduction cash fund repeal. (3) The general assembly may annually appropriate moneys MONEY in the intellectual and developmental disabilities services cash fund to the state department for:
- (c) Increasing system capacity for home- and community-based intellectual and developmental disabilities programs, services, and supports; and
- (d) The development of an assessment tool pursuant to section 25.5-6-104 (5); AND
- (e) Systems changes related to ensuring that the system of services and supports is compliant with conflict-free case management provisions pursuant to section 25.5-10-211.5.
- (8) The money in the fund shall be prioritized for the purpose set forth in subsection (3)(e) of this section.
 - (9) (a) This section is repealed, effective July 1, 2022.
- (b) PRIOR TO ITS REPEAL, ANY REMAINING MONEY IN THE INTELLECTUAL AND DEVELOPMENTAL DISABILITIES SERVICES CASH FUND SHALL BE TRANSFERRED TO THE GENERAL FUND.
- **SECTION 5.** In Colorado Revised Statutes, 25.5-10-208, **amend** (1), (2) introductory portion, (2)(b), (2)(c), and (4) as follows:
- 25.5-10-208. Service agencies and case management agencies money rules.
 (1) A service agency including a community-centered board when acting as a service agency, AND A CASE MANAGEMENT AGENCY shall comply with the requirements set forth in this article ARTICLE 10 and the rules promulgated thereunder.
- (2) The state board shall promulgate rules to implement the purchase of services and supports from a community-centered board, service agency, CASE MANAGEMENT AGENCY, or family caregiver. The rules shall MUST include, but need not be limited to:
- (b) Procedures for obtaining an annual audit of designated community-centered boards, CASE MANAGEMENT AGENCIES, and service agencies not affiliated with a designated community-centered board to provide financial information deemed necessary by the state department to establish costs of services and supports and to ensure proper management of moneys MONEY received pursuant to section 25.5-10-206;
 - (c) Delineation of a system to resolve contractual disputes between the state

department and designated community-centered boards, or service agencies, OR CASE MANAGEMENT AGENCIES, and between designated community-centered boards and service agencies, including the contesting of any rates that the designated community-centered boards charge to service agencies based upon a percentage of the rates that service agencies charge for services and supports;

- (4) Upon a determination by the executive director that services or supports have not been provided in accordance with the program or financial administration standards specified in this article ARTICLE 10 and the rules promulgated thereunder, the executive director may reduce, suspend, or withhold payment to a designated community-centered board, CASE MANAGEMENT AGENCY, or service agency under contract with a designated community-centered board, or service agency from which the state department purchased services or supports directly. When the executive director decides to reduce, suspend, or withhold payment, the executive director shall specify the reasons therefor and the actions that are necessary to bring the designated community-centered board, CASE MANAGEMENT AGENCY, or service agency into compliance.
- **SECTION 6.** In Colorado Revised Statutes, 25.5-10-209, **amend** (2)(e) as follows:
- 25.5-10-209. Community-centered boards designation purchase of services and supports performance audits Colorado local government audit law public disclosure of board administration and operations. (2) Once a community-centered board has been designated pursuant to this section, it shall, subject to available appropriations:
- (e) Provide case management services including service and support coordination and periodic reviews PURSUANT TO SECTION 25.5-10-211, for persons receiving services and families with children with intellectual and developmental disabilities or delays;
 - **SECTION 7.** In Colorado Revised Statutes, **add** 25.5-10-209.5 as follows:
- 25.5-10-209.5. Case management agencies certification purchase of services and supports rules. (1) In order to be certified as a case management agency, a public or private for-profit or not-for-profit agency shall apply for certification to the state department in the form and manner specified by the executive director. The state board shall promulgate rules for certification and decertification of case management agencies.
- (2) ONCE CERTIFIED PURSUANT TO THIS SECTION, A CASE MANAGEMENT AGENCY SHALL, SUBJECT TO AVAILABLE APPROPRIATIONS:
- (a) Determine the needs of a person enrolled in home- and community-based services who selects the case management agency; and
- (b) Provide Case Management Services and Periodic Reviews Pursuant to Section 25.5-10-211.

- (3) The executive director or his or her designee shall review each case management agency to ensure that the agency complies with the requirements and standards set forth in this article 10 and the rules promulgated pursuant to this article 10.
 - (4) THE STATE BOARD SHALL PROMULGATE RULES TO ENSURE THAT:
- (a) EACH ENROLLED PERSON WITH AN INTELLECTUAL AND DEVELOPMENTAL DISABILITY HAS ACCESS TO CASE MANAGEMENT SERVICES;
- (b) A person who is enrolled in home- and community-based services and other programs, as defined in section 25.5-10-202, is not required to have multiple case managers; and
- (c) There is an established process for a person to select the case management agency of his or her choice.
- (5) THE STATE BOARD SHALL BEGIN PROMULGATING RULES FOR CASE MANAGEMENT AGENCIES UPON THE EFFECTIVE DATE OF THIS SECTION.
- **SECTION 8.** In Colorado Revised Statutes, 25.5-10-211, **amend** (1), (2), and (3); and **add** (2.5) as follows:
- **25.5-10-211.** Eligibility determination individualized plan periodic review rules. (1) (a) Any person may request an evaluation to determine whether he or she has an intellectual and developmental disability and is eligible to receive services and supports pursuant to this article ARTICLE 10. The person must apply for eligibility determination to the designated community-centered board in the designated service area where the person resides.
- (b) Pursuant to the contract with the state department, designated community-centered boards shall determine whether a person is eligible to receive services and supports pursuant to this article and, if so, ARTICLE 10. FOR PERSONS ELIGIBLE FOR SERVICES AND SUPPORTS OTHER THAN HOME-AND COMMUNITY-BASED SERVICES, THE DESIGNATED COMMUNITY-CENTERED BOARD shall develop an individualized plan for him or her as part of his or her enrollment into a program. The state board shall promulgate rules, pursuant to article 4 of title 24, C.R.S., setting forth the procedure and criteria for determination of eligibility and individualized plan development. The procedure and criteria shall be uniform in nature and applied throughout the state in a consistent manner.
- (c) For a person eligible for and authorized to receive home- and community-based services, designated community-centered boards shall refer the person to a third-party entity for selection of a case management agency.
- (2) (a) Following intake and assessment, PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION, the designated community-centered board OR THE CASE MANAGEMENT AGENCY CHOSEN BY THE PERSON shall develop an individualized plan as provided by rules promulgated by the state board. The designated community-centered board shall develop an individualized family service plan for

a child with disabilities from birth through two years of age pursuant to section 27-10.5-703. C-R-S:

- (b) (I) THE CASE MANAGEMENT AGENCY SHALL DEVELOP AN INDIVIDUALIZED PLAN FOR PERSONS ENROLLED IN HOME- AND COMMUNITY-BASED SERVICES.
- (II) The designated community-centered board shall develop an individualized plan for persons eligible for other programs, as defined in section 25.5-10-202, and for a child with disabilities from birth through two years of age pursuant to section 27-10.5-703.
- (2.5) The state board shall promulgate rules pursuant to article 4 of title 24 setting forth the procedure and criteria for determination of eligibility and individualized plan development. The procedure and criteria must be uniform in nature and applied throughout the state in a consistent manner. The procedure and criteria established by the state board must conform with the provisions of section 25.5-10-211.5 relating to conflict-free case management.
- (3) Subject to available appropriations pursuant to section 25.5-10-206 and to the capacity of an individual service agency, the person with an intellectual and developmental disability must be provided options for services and supports within the designated service area that can appropriately meet the person's identified needs, as identified pursuant to subsection (2) of this section, and may select the CASE MANAGEMENT AGENCY AND service agency from which to receive services or supports.

SECTION 9. In Colorado Revised Statutes, add 25.5-10-211.5 as follows:

- **25.5-10-211.5.** Conflict-free case management implementation legislative declaration definition. (1) The general assembly acknowledges the rights of individuals to make choices regarding their case management agency and service agency. Therefore, the general assembly believes there exists the need to ensure conflict-free case management services within the medicaid waivers for persons with intellectual and developmental disabilities.
- (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "RURAL COMMUNITY-CENTERED BOARD" MEANS A COMMUNITY-CENTERED BOARD COMPRISED PRIMARILY OF COUNTIES DESIGNATED BY THE STATE OFFICE OF RURAL HEALTH AS A RURAL OR FRONTIER COUNTY.
- (3) A CONFLICT-FREE CASE MANAGEMENT SYSTEM SHALL BE IMPLEMENTED IN COLORADO AS FOLLOWS:
- (a) No later than July 1, 2017, the state department shall determine the options for community-centered boards to become compliant with conflict-free case management;
- (b) No later than January 1, 2018, the state department shall publish guidance on the components of a business continuity plan;

- (c) No later than July 1, 2018, each community-centered board shall submit a business continuity plan to the state department based on the best option for the community-centered board pursuant to subsection (3)(a) of this section;
- (d) Once a community-centered board has submitted its business continuity plan, on or before June 30, 2019, the state department shall complete an analysis of the adequacy of the continuity plan, unreimbursed transition costs, and community impacts of the transition to conflict-free case management;
- (e) No later than June 30, 2020, a community-centered board shall complete any necessary changes to its business operation that are required to implement its business continuity plan;
- (f) No later than June 30, 2021, at least twenty-five percent of clients receiving home- and community-based services must be served through a system of conflict-free case management; and
- (g) No later than June 30, 2022, all clients receiving home- and community-based services must be served through a system of conflict-free case management.
- (4) Rural-based services exemption. (a) The state department is authorized to seek a federal exemption from conflict-free case management requirements for geographic areas within the state where the only willing and qualified entity to provide case management services is also the only willing and qualified entity to provide homeand community-based services in that geographic area.
- (b) A Rural community-centered board must initially notify the state department in writing, no later than July 1, 2017, to request that the state department seek a federal exemption for its designated service area, as defined in section 25.5-10-202. Upon receipt of the notice, the state department shall evaluate case management service provider capacity, and, if the state department determines that it is supported, the state department shall seek a federal exemption for its designated service area within a reasonable period of time.
- (c) Upon notification of federal approval or denial of a federal exemption from conflict-free case management requirements, the rural community-centered board shall submit a business continuity plan and commence any necessary changes to its business operation pursuant to subsection (3)(e) of this section.
- (d) The state board shall promulgate rules for the provision of services and supports, including services and supports coordination, when there are multiple agencies operating in a specified geographic area.
- (e) If the state department has not received notification by July 1, 2019, regarding approval or denial for a federal exemption from conflict-free

CASE MANAGEMENT REQUIREMENTS, THE STATE BOARD SHALL PROMULGATE RULES FOR THE PROVISION OF SERVICES AND SUPPORTS, INCLUDING SERVICES AND SUPPORTS COORDINATION, FOR DESIGNATED SERVICE AREAS WHERE A FEDERAL EXEMPTION FROM CONFLICT-FREE CASE MANAGEMENT IS PENDING.

- (f) In order to ensure stability, client choice, and access to services in rural communities, the state board shall promulgate rules, as permitted under federal law, that allow a qualified entity to provide both case management services and home- and community-based services to the same individual if there is insufficient choice or capacity among existing service agencies or case management agencies serving a designated service area of a rural community-centered board.
- (5) The state board shall amend its rules consistent with changes in federal law as set forth in 42 CFR (c)(1)(VI), including changes relating to allowable exemptions.
- **SECTION 10. Appropriation.** (1) For the 2017-18 state fiscal year, \$75,000 is appropriated to the department of health care policy and financing for use by the executive director's office. This appropriation is from the intellectual and developmental disabilities services cash fund created in section 25.5-10-207 (1), C.R.S. To implement this act, the office may use this appropriation for general professional services and special projects.
- (2) For the 2017-18 state fiscal year, the general assembly anticipates that the department of health care policy and financing will receive \$75,000 in federal funds to implement this act, which amount is included for informational purposes only. The appropriation in subsection (1) of this section is based on the assumption that the department will receive this amount of federal funds to be used for general professional services and special projects.
- (3) For the 2017-18 state fiscal year, \$36,398 is appropriated to the department of health care policy and financing for use by the office of community living. This appropriation is from the intellectual and developmental disabilities services cash fund created in section 25.5-10-207 (1), C.R.S. To implement this act, the office may use this appropriation as follows:
- (a) \$33,571 for personal services, which amount is based on an assumption that the office will require an additional 1.0 FTE; and
 - (b) \$2,827 for operating expenses.
- (4) For the 2017-18 state fiscal year, the general assembly anticipates that the department of health care policy and financing will receive \$36,396 in federal funds to implement this act, which amount is included for informational purposes only. The appropriation in subsection (3) of this section is based on the assumption that the department will receive this amount of federal funds to be used as follows:
 - (a) \$33,570 for personal services; and
 - (b) \$2,826 for operating expenses.

SECTION 11. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 5, 2017